

NOTIFICATION OF COURT ORDER

On January 28, 2019, an Order was issued in *People of the State of California vs. Gil Tepper*, Los Angeles County Superior Court, Case No. BA456262-01 by Hon. Jose I. Sandoval, Judge Presiding. Under the Order, as a condition of bail, GIL TEPPER, M.D. (Physician's and Surgeon's Certificate Number G 68053) is permanently disqualified from participating as a provider in the Workers' Compensation system, pursuant to Labor Code Section 139.21 effective January 28, 2019. A copy of the Order is attached.

2/11
1 RETURN DATE: JANUARY 28, 2020

2 DEPARTMENT: 50

3 **FILED**
LOS ANGELES SUPERIOR COURT

4 JAN 30 2019

5 **ORIGINAL**

6 SHERRI R. CARTER, EXECUTIVE OFFICER/CLERK
BY [Signature] Deputy

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA
8 FOR THE COUNTY OF LOS ANGELES

9 DEPARTMENT 50

HON. JOSE I. SANDOVAL, JUDGE

10 PEOPLE OF THE STATE OF CALIFORNIA,)

11 PLAINTIFF,)

12 VS.)

13 GIL TEPPER,)

14 DEFENDANT.)

NO. BA456262-01
PLEA

15
16 LOS ANGELES, CALIFORNIA; MONDAY, JANUARY 28, 2019

17 UPON THE ABOVE DATE, THE DEFENDANT BEING PRESENT
18 IN COURT AND REPRESENTED BY COUNSEL MARC S. HARRIS, ESQ.,
19 DEPUTY THE PEOPLE BEING REPRESENTED BY JENNIFER L. SNYDER,
20 DEPUTY DISTRICT ATTORNEY OF LOS ANGELES COUNTY, THE
21 FOLLOWING PROCEEDINGS WERE HELD:

22
23 (CHERYLE LEWIS, OFFICIAL COURT REPORTER, CSR #6312)

24
25 **THE COURT:** TURNING THEN NOW TO THE MATTER
26 INVOLVING TWO DEFENDANTS; ONE IS GIL TEPPER, HE'S PRESENT
27 BEFORE THE COURT, THE OTHER GENTLEMAN JORGE ANTONIO VITAL,
28 HE'S ALSO PRESENT BEFORE THE COURT.

1 COMPLY MY WITH SEVERAL TERMS AND CONDITIONS, ONE, YOU'LL
2 HAVE TO COMPLETE SIX MONTHS OF ELECTRONIC MONITORING AT
3 YOUR EXPENSE. YOU WILL ALSO PAY REPAY RESTITUTION AS SET
4 FORTH ON THE CHARGE -- ON PAGE 2 WHICH TOTALS
5 \$1,877,768.91. TO ACCOMPLISH THAT YOU WILL AGREE TO WAIVE
6 ANY CLAIM THAT YOU HAVE WITH REGARD TO A FIRST CENTURY
7 BANK ACCOUNT ENDING IN THE DIGITS 994, AND THE BANK WILL
8 BE ORDERED TO DISTRIBUTE THE PROCEEDS OF THAT ACCOUNT
9 WHICH UP TO NOW HAS BEEN FROZEN PURSUANT TO THE COURT
10 ORDER.

11 YOU WILL ALSO BE REQUIRED TO COMPLETE 300
12 HOURS OF COMMUNITY SERVICE. YOU WILL STIPULATE TO
13 DISQUALIFICATION FROM BEING A MEDICAL PROVIDER OR BEING A
14 PROVIDER PERIOD FOR THE WORKERS COMP SYSTEM IN CALIFORNIA.

15 IF AT THE END OF A YEAR YOU HAVE SATISFIED
16 EACH OF THOSE CONDITIONS AND YOU HAVE NOT VIOLATED THE LAW
17 WITH THE EXCEPTION OF TRAFFIC INFRACTIONS, YOU WILL BE
18 PERMITTED TO WITHDRAW YOUR FELONY PLEAS THAT YOU'RE GOING
19 TO ENTER TODAY AND ENTER NEW AND DIFFERENT PLEASE TO THESE
20 SAME COUNTS AS MISDEMEANORS.

21 IS THAT YOUR UNDERSTANDING OF WHAT THE
22 DISPOSITION IS?

23 **THE DEFENDANT:** YES, MA'AM.

24 **MS. SNYDER:** DO YOU HAVE ANY QUESTIONS FOR YOUR
25 LAWYER OR FOR THE COURT AT THIS TIME?

26 **THE DEFENDANT:** NO.

27 **MS. SNYDER:** HAVE YOU HAD -- HAS ANYBODY THREATENED
28 YOU OR ANYBODY CLOSE TO YOU IN ORDER TO GET YOU TO PLEAD

JAN 28 2019

Sherri R. Carter, Executive Officer/Clerk of Court
By Heather Malone Deputy

Attorney for Plaintiff, People of the State of California

Date: January 28, 2019
Department 50

1 The People of the State of California, by and through the Los Angeles County District
2 Attorney, Healthcare Insurance Fraud Division, and defendant Gil Pepper, propose the following
3 disposition in the above-captioned matter:

4 A. Defendant Gil Pepper shall plead guilty, pursuant to *People vs. West* (1970) 3 Cal.3d 595, to
5 Counts 2 and 6 of the Felony Complaint in Case BA456262, violation of Insurance Code
6 Section 1871.4(a)(1) as felonies. The parties stipulate that the criminal charges arise from
7 defendant's acquisition and use of medical devices for which he caused inflated billing to be
8 issued and paid without disclosing his dual role as owner of the supply company, Metalink,
9 and as physician purchasing and utilizing the medical devices in his practice treating patients
10 with industrial injuries. The parties further stipulate that quality of care was not the subject of
11 the investigation or the criminal charges in this case.

12 B. Defendant Gil Pepper agrees to pay restitution as to all counts alleged in the complaint,
13 pursuant to *People v. Harvey*, totaling \$ 1,877,768.91 (the "Restitution Amount"), payable to
14 the victim companies listed below in the amounts designated under the heading "Loss".
15 Defendant further stipulates that this court shall order disbursement by 1st Century Bank of
16 funds totaling \$1,103,976.73 from account number 2100025994, which are frozen pursuant
17 to the court's protective order pursuant to Penal Code Section 186.11, issued on April 12,
18 2017, to the victim companies listed below, in the amounts listed under the heading "From 1st
19 Cent", which are pro-rata amounts of the current balance in the frozen account.

VICTIM COMPANY	LOSS	%	FROM 1ST CENT	BAL DUE
Everest	\$ 109,775.77	5.85%	\$ 64,539.30	\$ 45,236.47
Liberty Mutual	\$ 310,624.46	16.54%	\$ 182,622.14	\$ 128,002.32
Sedgewick	\$ 431,290.00	22.97%	\$ 253,563.75	\$ 177,726.25
Farmers	\$ 100,121.79	5.33%	\$ 58,863.54	\$ 41,258.25
Insurance Company of the West	\$ 9,086.57	0.48%	\$ 5,342.17	\$ 3,744.40
Berkshire Hathaway	\$ 40,664.06	2.17%	\$ 23,907.19	\$ 16,756.87
State Compensation Insurance Fund	\$ 716,604.11	38.16%	\$ 421,305.44	\$ 295,298.67
Employers Insurance	\$ 30,128.54	1.60%	\$ 17,713.15	\$ 12,415.39
The Hartford	\$ 129,473.61	6.90%	\$ 76,120.04	\$ 53,353.57
	\$ 1,877,768.91		\$ 1,103,976.73	\$ 773,792.18

1 The disbursements from the First Century Account shall be credited against the total
2 restitution amounts ordered. Defendant Gil Pepper shall pay the balance of the restitution
3 amounts owed as shown under the heading "Bal Due" to the victim companies listed as a
4 material term of his conditional release, as set forth in paragraph E, below.

5 C. Sentencing will be continued for one year and defendant Gil Pepper waives his right to be
6 sentenced by the same judge who takes and accepts his plea, pursuant to *People v.*
7 *Arbuckle*.

8 D. During the pendency of this matter, following the entry and acceptance of the plea, defendant
9 Gil Pepper agrees to the following conditions of release as material provisions of the plea
10 agreement:

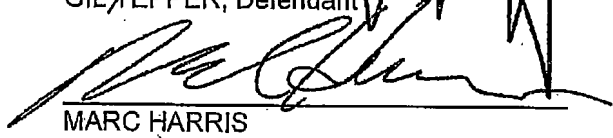
- 11 1. After the plea is entered and accepted, and before sentence is imposed,
12 defendant Gil Pepper shall serve six months under electronic monitoring, at his
13 expense, and shall complete 300 hours of community service.
- 14 2. Defendant Gil Pepper shall pay the balance of the restitution amounts to the
15 victim companies as listed in paragraph Paragraph B, above.
- 16 3. Absent a change of circumstances or failure of compliance with the conditions of
17 release set forth herein and on the record in court, defendant Gil Pepper may
18 travel within the Continental United States for business purposes by obtaining
19 prior consent from the People. If the People have no objection to the requested
20 travel, the electronic monitoring equipment may be removed not sooner than 48
21 hours before travel without a court order, and must be reinstalled within 48 hours
22 after travel.
- 23 4. Defendant Gil Pepper stipulates that he shall be permanently disqualified from
24 participating as a provider in the Workers' Compensation system, pursuant to
25 Labor Code Section 139.21.
26

- 1 5. Defendant Gil Pepper shall not operate Metalink or any physician owned
2 distributorship from the date of the plea forward.
- 3 6. Defendant Gil Pepper shall not violate any conditions of release during the
4 pendency of this case, and will comply with the law. Any violation of the law or
5 the conditions of release (other than traffic infractions) may constitute a violation
6 of this plea agreement. The People shall notice any perceived violation for
7 hearing and, upon a finding by the Court that this plea agreement was violated,
8 the plea will convert to an open plea which may result in imposition of the
9 maximum penalty available by law.
- 10 E. At the time of sentencing, if all conditions of release have been met, and no violation of the
11 conditions of release has occurred, defendant Gil Pepper shall be permitted to withdraw his
12 felony pleas, and enter pleas to the same substantive charges, as misdemeanors. The
13 remaining counts and all special allegations as to defendant Gil Pepper will be dismissed
14 pursuant to Penal Code Section 1385. Defendant Gil Pepper will be sentenced to six months
15 of electronic monitoring and 300 hours of community service, with credit for those conditions
16 already met, and will be placed on summary probation for an additional year.
- 17 F. At the time of sentencing, if all conditions of release have been met, and no violation of the
18 conditions of release has occurred, the People will seek a release of all assets frozen
19 pursuant to Penal Code Section 186.11, and will obtain from the court a release of any
20 existing *lis pendens* filed in connection with this action, and file same with the County
21 Recorder's Office.
- 22 G. Property seized during the investigation and prosecution of this matter shall be released
23 pursuant to court order upon imposition of sentence. Specific items of property may, upon
24 request to the prosecutor, be released prior to sentencing if the item can be properly
25 duplicated or imaged, and defendant stipulates to the authenticity of the duplicate.
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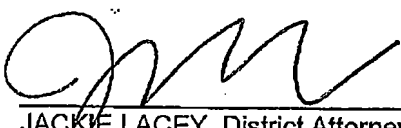
1 By my signature, I represent that I understand and accept the terms and conditions of this
2 plea agreement.

3 Dated: 1/24/19

4 
GIL TEPPER, Defendant

5 
6 MARC HARRIS
Attorney for Defendant Gil Pepper

7
8 Dated: 1/24/19

9 
JACKIE LACEY, District Attorney
10 BY: JENNIFER LENTZ SNYDER, Head Deputy
11 Healthcare Insurance Fraud Division
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